

21 November 1956

THRU :

Project 35.1106, "Expenditures on New Construction, Alterations and Maintenance, Soviet Navy, 1946-55."

1. Four comments are appropriate on the attached paper:
 - a. This represents one of the first thorough going efforts to estimate values of Soviet Naval Construction. In spite of my many personal reservations about the methodology, the estimates represent a real contribution to our overall goal of measuring Soviet military expenditures.
 - b. The methodology is based on US analogy with modification where appropriate and possible for known US - USSR differences in product and production techniques. The author, [redacted] has been very careful to point this out in both his preface and his text.
 - c. The text, tables and methodological discussion have received a most careful review and this paper represents one of the first D/I papers which has received the benefit of close editorial review while in the process of being written.
 - d. The publication of this paper would not have been possible were it not for the major effort undertaken by the branch to revise its study of the Soviet Shipbuilding Industry. Production estimates included in this paper were taken from papers about ready for submission to [redacted] on the production of naval and merchant vessels.

2. Immediate publication as a PR is recommended.

25X1A9A

[redacted]

NSA review completed

[redacted]